



**CITY OF HUNTINGTON BEACH
FINANCE BOARD MINUTES
WEDNESDAY, SEPTEMBER 8, 2010 AT 6:00 PM
CIVIC CENTER, LOWER LEVEL, ROOM B-8**

- 1) CALL TO ORDER:** At 6:00 PM, Chair Falzon called the meeting to order.
Present: Vice Chair LoGrasso, Members: Houston, Jones, King, and Peterson
Absent: Member Garcia
Staff: Robert Sedlak, Accounting Manager, Carrie Gonzales, Administrative Assistant
- 2) PUBLIC COMMENTS:**
No public comments were made.
- 3) APPROVAL OF MEETING MINUTES:**
August 11, 2010 - Member King made a motion to approve the minutes as amended, seconded by Member Jones. 6/0 (Member Garcia absent)
August 17, 2010 - Vice Chair LoGrasso made a motion to approve the minutes as written, seconded by Member Houston. 5/0/1 (Chair Falzon abstained, Member Garcia absent)
- 4) STAFF REPORTS/BUSINESS ITEMS:**
 - a) Chairman's Update**
Chair Falzon did not have anything further to discuss that is not already covered on tonight's agenda.
 - b) Budget Updates**
 - 11/1/10 – Present financial updates to the City Council
 - c) Salaries**
Staff distributed a spreadsheet to the Board Members with a list of the City's Executive Management annual salary figures, which included their salary, auto allowance, and benefits. This list is posted on the city's website: <http://www.huntingtonbeachca.gov/announcements/announcement.cfm?id=188>. Chair Falzon led a discussion on these salaries and other Orange County cities salaries. Staff informed the Board that the State Controller's Office is requesting all City's post on their website the salaries of all city employees, by title, for the calendar year 2009. The Board asked staff to notify the Board Members when this information is posted online.
 - d) Unfunded Liabilities**
Chair Falzon led a discussion on the City's unfunded liabilities and the memo sent to the City Council with the Board's recommendations. The Board's recommendation is centered on the need for the City to establish a two-tier retirement system, where newly hired employees pension benefit would be a defined contribution plan rather than a defined benefit plan. Such a plan would reduce long-term pension cost and the associated unfunded liability.

The Board also asked staff if they would supply them with a copy of the October 2010 CalPERS actuarial study. Staff has not received this study from CalPERS, however, once received they will forward a copy to the Board Members.
 - e) Annual Report**
Chair Falzon led a discussion on some possible items for the Board's 2010 Annual Report. Some items discussed were unfunded liabilities, salaries, and infrastructure funding. Chair Falzon asked the members to think about any items that they would like to have discussed in the Annual Report and to bring them to the October 13 meeting for discussion.



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5) OPEN/CLOSED ACTION ITEM LIST:

The Board asked that item 2010-01 be reopened. Was the retirement benefit for safety employees, 3% @ 50 given in fiscal year 02/03 or 05/06?

6) COMMENTS FROM BOARD MEMBERS:

There were no comments from the Board Members.

7) INFORMATION ITEMS:

There was no additional information.

8) ADJOURNMENT:

Member Peterson made a motion at 7:15 PM to adjourn the meeting to Wednesday, October 13, 2010, at 6:00 PM in meeting room B-8, seconded by Vice Chair LoGrasso. The motion was approved 6-0. (Member Garcia absent)

Respectfully submitted by:
Robert Sedlak, Accounting Manager
Secretary to the Finance Board